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Merit Oil Ltd.

Robert Macaulay, Q.C., President of Merit Oil Ltd., issued the following press release following a meeting of the Board of Directors of the Company in Toronto on Thursday, July 30, 1964.

The Board of Directors of Merit Oil Ltd. met yesterday in Toronto for a number of corporate purposes, amongst others:

(a) To reorganise the operations of Merit Oil's wholly-owned subsidiary, Videocable Corporation Limited, which operates a community antenna television system in Montreal.
(b) to consider the reports of its geologists and the drilling programme relative to the operations of White Asbestos (Mining) Pty. Limited, a progress report on which is attached to this release.
(c) To discuss plans for the development of the asbestos property in order to bring it into production.

Mr. Macaulay stated that the drilling results to date look very promising. He added that Merit Oil and its partner, Ampol Petroleum Limited of Australia will shortly commence negotiations for the extensive development of the property.

Mr. Macaulay pointed out that in the operation of any mining venture there were those who devoted considerable effort to the manipulation of stock prices for their own ends. As an example of this, he cited the obvious efforts of those who attempted to depress the price of Merit Oil shares by starting rumours that Mr. Macaulay had threatened or intended to resign. Mr. Macaulay stated: "I have never threatened to resign; I have never thought of nor have I any intention of resigning. Merit Oil has a splendid opportunity to play an important part in the development of a large and valuable asbestos property, and I intend to remain as President to help bring this property into production."

Mr. Macaulay added that: "Merit Oil can make a useful contribution in the development of a valuable resource in Australia, to earn important trade dollars for Canada and to reward the shareholders of Merit Oil for their patience and faith - and I intend to see that all three of these results are forthcoming."

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Merit Oil Ltd.

The following is a progress report on the exploration programme presently being conducted by White Asbestos (Mining) Pty. Limited on its asbestos strike at Barraba, New South Wales, Australia. (White Asbestos is a company controlled equally by Merit Oil Ltd. and Ampol Petroleum Limited, one of Australia's largest oil companies with assets as at September 30, 1963 totalling $148,785,000 and gross revenues for the year of $94,308,000).

Trenching

The Company has bulldozed 12,000 feet of trenching in the fibre-bearing areas with trenches spaced at intervals of 300 feet, and has completed the necessary geological maps.

Diamond drill holes

Hole #1

This hole was drilled at an inclination of 60° towards the west on the southern boundary of ML22. A preliminary inspection of the core indicated low to medium grade fibre from 25 to 155 feet, with two zones of short fibre in the sections 110 - 115 feet and 120 - 125 feet The section from 155 - 266 feet proved barren, but the next 134 feet intersected low grade fibre. The last 40 feet was mostly in a shear zone and unproductive. Due to difficulties in drilling by virtue of shearing, drilling was stopped at 440 feet, and the hole did not reach its planned depth of 490 feet.

Hole #2

This hole was drilled at an inclination of 60° towards the west on the south-east corner of ML22. Short fibre was encountered over the first 205 feet with medium fibre appearing in the sections 135 - 140 feet and 145 - 160 feet. From the 200 foot level to the end of the hole at 490 feet, low to medium grade fibre was encountered. The hole bottomed in good fibre.

General information

The above diamond drill holes were not intended to intersect the main long fibre zone as evidenced by surface showings. They did, however, indicate that asbestos fibre extends to a depth in excess of 400 feet. The examination of these holes was preliminary to more detailed logging and assaying.
The drilling programme is continuing, and additional news will be released within two weeks.

R.W. Macaulay,

President, Merit Oil Ltd.

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MERIT OIL LIMITED
635 Sixth Ave. S.W., Calgary, Alberta

FOR IMMEDIATE RELEASE

Announcement was made jointly today by Merit Oil Limited of Calgary, Alberta, and Ampol Petroleum Ltd. of Australia of formation of a jointly-owned company to exploit and evaluate a substantial asbestos deposit in New South Wales.

Ampol Petroleum is one of Australia's largest petroleum companies, with total assets as of Sept. 30, 1963 aggregating 61,993,723 £Aus. and gross revenue for the year of 39,294,815 £Aus.

Merit Oil, which disposed of its major Canadian holdings in 1961 to Canadian Husky, and subsequently acquired over 1,000,000 shares of International Helium in exchange for its principal assets, has for more than two years been investigating Australian mining possibilities. It recently acquired a property in the county of Darling in New South Wales on which one asbestos showing occurs in an area a mile long by a quarter of a mile wide in serpentized ultra basic rocks. It is this property which has now been joined with adjacent asbestos holdings of Ampol Petroleum for the joint venture by the two companies.

The two companies have formed an Australian subsidiary, White Asbestos (Mining) Pty. Limited, to own and explore the combined asbestos holdings. Merit Oil's 50% interest in White Asbestos is held through a wholly-owned subsidiary, Woodsreef Asbestos Co. Limited.

A part of the asbestos deposits now included in White Asbestos was worked to a limited extent in the 1920's, and reports of a Consulting Geologist indicate an excellent potential, with indications of better than 10 million tons of ore reserves of good grade.

The joint undertaking by Merit Oil and Ampol Petroleum was announced today in Australia by A. E. Harris, General Manager of Ampol, and in Canada by C. R. Walker, president of Merit Oil. The Ampol announcement said:

"A short time ago, arising out of an endeavour to realize on a security held by our company, we found it advantageous to acquire certain mining leases over asbestos deposits at Woodsreef near Barraba in New South Wales. Subsequent investigations by our geological staff suggest that the deposits could be extensive and that if the fibre seen at the surface is continuous between the observed outcrops the area might be a valuable asbestos field.

"Last year we were approached by a Canadian group (Merit Oil) which is interested in investigating the potentialities of this field, and we agreed to form a company in which each of us will contribute 50% of the capital to investigate and if favourable to mine and process the asbestos deposits.

"The type of asbestos indicated by the deposits is white asbestos which is used for brake linings, gaskets, clutch facings, industrial cloth, asbestos sheeting and piping, insulating material, etc. The total imports of white asbestos into Australia in 1962 were 29,700 tons of an f.o.b. value of 1,955,000 £Aus. Of course, it is too early yet to evaluate the potential of these deposits and your Board at this stage

is not committing the company to more than is necessary to make a thorough evaluation."

Merit Oil officials in Calgary understand that trenching on the White Asbestos property is already under way, with an exhaustive diamond drilling program scheduled to follow.

Representing Merit Oil on the directorate of White Asbestos is Kevin Robert Besley of Calgary, with the other three directors being A. E. Harris, General Manager of Ampol, P. J. Adams, deputy chairman of Ampol, and W. M. Leonard, a director of the Ampol company.

MERIT OIL LIMITED,
C. R. Walker,
President.

January 29, 1964.

per J. M. Fielder

N.B. Merit shares are actively traded on Vancouver S.E.
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TELEPHONE 366-6177

Merit Oil Ltd.

SUITE 905, 85 RICHMOND ST. W.
TORONTO 1, ONTARIO

October 6, 1964

FOR IMMEDIATE RELEASE

The initial 12-hole drilling program just completed at the Australian asbestos property being explored in a joint program by Merit Oil Ltd. and Australia's largest independent oil company, Ampol Petroleum Ltd., has proved the important chrysotile asbestos fibre to extend to a depth of at least 750 feet over a minimum width of 750 feet.

Robert W. Macaulay, Q. C., President of Merit Oil, reports to Shareholders that Dr. C. V. G. Phipps, Consulting Geologist, has advised Merit that the drill program has tested but 2,100 feet of the indicated 6,000-foot long fibre-bearing serpentine structure. The deepest of the holes, he also states, was still in good ore when bottomed at more than 1,000 feet, and "the last 250 feet have been very rich with values exceeding 8% of fibre with numerous veins of $\frac{1}{4}$ inch and better."

Dr. Phipps commented further that the work to date "has shown the field capable of producing groups 4, 5, 6 and 7 asbestos fibre" of the valuable chrysotile type, most of which Australia at present has to import from Canada.

Considerable interest in this Merit-Ampol Petroleum asbestos development has been evident in the Australian press, a recent item in The Australian, a Sydney daily, reporting significantly that the Chief Geologist of Canadian Johns-Manville, part of the world's largest asbestos organization, spent several weeks at the property assisting and advising on the work in progress.

MERIT OIL LTD.

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Merit Oil Ltd.

SUITE 905, 85 RICHMOND ST. W.
TORONTO 1, ONTARIO

October 2nd, 1964

To The Shareholders:

Your Company has made excellent progress and has obtained very encouraging results in the diamond drilling program that has been under way on our Australian asbestos property. As you know, this drilling program is being conducted jointly with Australia's largest independent oil company, Ampol Petroleum Limited, through White Asbestos (Mining) Pty. Limited, a company owned 50% by Ampol and 50% by Merit.

The present drilling tested only about one-third of the indicated 6,000-foot long fibre-bearing serpentine structure; but the results are already quite conclusive. The initial drilling program involved 12 holes extending over a strike length of 2,100 feet in the southwest part of the field.

Dr. Charles V.G. Phipps, professor of Geology and Geophysics at the University of Sydney, and Merit's Consulting Geologist, has reported to your Company on these drill results. On the 25th of September, 1964, Dr. Phipps advised that the total of 5,624 feet resulting from the drilling of 12 holes had proved the important chrysotile asbestos fibres to a depth of 400 feet, with the two deepest holes indicating ore grade rock to a depth of 750 feet and over a minimum width of 750 feet.

Dr. Phipps stated that surface information, together with this first stage of drilling now completed "has shown the field capable of producing groups 4, 5, 6 and 7 asbestos fibre" of the valuable chrysotile type of which Australia has heretofore imported over 95% of its requirements. (It is interesting to note that in 1963 Australia imported approximately $5,000,000 worth of this asbestos fibre.)

Initial results from the deepest of the 12 holes drilled to date (No. 10) showed good asbestos ore to a depth of 750 feet. It is most significant that Dr. Phipps advised that this hole was still in good ore when drilling ceased at more than 1,000 feet and that "the last 250 feet have been very rich with values exceeding 8% of fibre with numerous veins of ¼ inch and better."

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TELEPHONE 366-6177

Merit Oil Ltd.

SUITE 905, 85 RICHMOND ST. W.

TORONTO 1, ONTARIO

December 2nd, 1964.

Dear Shareholder:

Merit Oil Limited together with our Australian partner, Ampol Petroleum Limited, are presently considering a partnership proposal by Canadian Johns-Manville Co. Limited, a world leader in the manufacturing and marketing of asbestos.

Under the terms of the Canadian Johns-Manville offer, they will participate on a 50/50 basis in the further exploration and development of our Australian asbestos property in Barraba, New South Wales.

The proposal outlines a $ 2,000,000. exploration and development program beginning with 25,000 feet of diamond drilling in geological and geophysical surveys. Test plant construction and operation, sampling and additional diamond drilling will follow based on the indications of initial results.

Although it may be some weeks before the final details of the arrangement can be worked out, our directors felt that you would wish to be informed of this proposal which, if accepted, will give a 75% Canadian participation in what promises to be an interesting and profitable venture.

Respectfully submitted,
on behalf of the Board of Directors

Robert W. Macaulay, Q.C.
President

RM/bd